



Phone: 408.524.4500
 1.855.500.P1CU (7128)
 Web: premieronecu.org
 Email: info@premieronecu.org

PremierOne Credit Union Branches

4th Street Branch
 88 S Fourth Street
 (bottom of 4th street garage)
 San Jose, CA 95112

Almaden Branch
 5353 Almaden Expressway, #80
 (next to TJ Maxx)
 San Jose, CA 95118

Arques Branch
 1193 East Arques Avenue
 Sunnyvale, CA 94085

Asbury Branch
 140 Asbury Street
 San Jose, CA 95110

Via del Oro Branch
 (and Corporate Headquarters)
 6640 Via del Oro
 San Jose, CA 95119

For lobby hours at each branch, visit us online or call.

Over 5,000 branches. Nearly 30,000 ATMs.

Now finding the nearest free ATM and Shared Branch is easier than ever. Whether you're across town, or traveling far from home for business or pleasure, you're welcome at branches and ATMs wherever you see the CO-OP logos. Your credit union membership means you can:

- Use nearly 30,000 surcharge-free ATM locations—more than some of the biggest banks offer
- Take advantage of surcharge-free ATMs at convenient places like 7-Eleven®, Costco® and Walgreens
- Visit over 5,000 convenient branch locations and more than 2,000 self-service locations covering all 50 states
- Easily locate ATMs and branches through any of our locator tools – including phone, mobile app or internet by visiting www.allco-op.org

We also have an ATM in each of the Hitachi Data Systems, Texas Instruments, and San Jose Police Station cafeterias for employees.



Federally insured by NCUA

STAY CONNECTED



2016 Annual Report

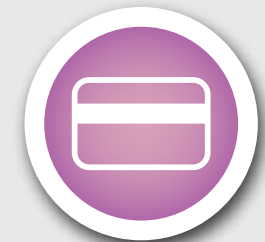


Together, we're just better.

2016, Another Successful Year!



Our Membership Grew By **1,350** And Continues to Grow



We Issued More Than **12,000** Plastic Cards for Members



We Happily Answered **55,000** Calls from Our Members



We Proudly Processed Over **1 Million** Transactions for Our Members



Funded Loans Totaled **2,200** Saving Members More Money

MISSION

Deliver a better financial life to members.

VISION

Build strong member relationships, which leads to growth.

BOARD OF DIRECTORS

Seamus Moran	Chairman
Rich Toledo	Vice Chair
Thomas E. Brewer	Secretary
Tom Suchevis	Treasurer
Don Bartels	Director
Marcia Lillis	Director
William B. Staples	Director
Mark Veeh	Director

SUPERVISORY COMMITTEE

Jay Castellano
Francis Winslow
Gay Gale
Tejinder Singh

SENIOR MANAGEMENT

Andrea Brewer	President/CEO
Brad Thomas	VP Finance/CFO
Cathy McCarthy	VP Human Resources
Belinda Metzler	VP Lending
Dody Gemette	VP Business Operations
Paul Kramer	VP Sales & Service
Thu Cushing	AVP IT
Janice Johnson	AVP Marketing
Allison Coburn	AVP Project Management
Nicole Camarillo	AVP of Training

CHAIRMAN AND PRESIDENT REPORT

2016 was another great year for PremierOne Credit Union. The Board and Management are proud of the difference we make in our members financial lives and the impact we make in our community.

During the year we delivered tangible gains in net income, loans and shares. We continued to grow our membership base and provide robust member benefits. Our capital position remains strong ensuring financial strength. A summary of our 2016 December year-end results are as follows:

- **Reported net income of \$2.2 million for 2016, an 18% increase compared with 2015**
- **Total loans ended the year at \$220.9 million, a 13% increase compared with 2015**
- **Total shares ended the year at \$356.7 million, a 7.9% increase compared with 2015**

As always PremierOne Credit Union remained focused on expanding our products and services which translates into more convenience and accessibility for our members.

- We reduced Mortgage rates and expanded our product offering to include assistance for first time buyers.
- Increased our Spend Account rate to 1.50% APY
- Launched uChoose® Rewards Program for Visa Gold credit card members
- Released new features and capabilities to our Mobile App
- Opened a new branch and corporate headquarters in South San Jose with Saturday hours
- Launched Trends, an online Personal Finance Management tool to assist members in Financial Planning

We continued our commitment to our community by supporting local events, charities and nonprofit organizations. Our staff was on site at many local events including the SJ Benefits Fair, Hitachi Benefits Fair, Sunnyvale Art & Wine Festival, Luna Park Chalk event and the Italian Family Festa. We held fundraising events for San Jose Pal and San Jose Burn Foundation and we collected over 200 toys for the Los Bomberos Holiday Toy Drive.

In 2016 the credit union sadly lost two long time volunteers. Robert E. DeBarr served over 40 years as a credit union volunteer as Chairman for the Board of Directors. Richard Busse served as a credit union volunteer for over 40 years many of those as Chairman of our Supervisory Committee. We are pleased to announce the creation of two educational scholarships in their memory to carry on their commitment to their community and their outstanding leadership skills.

We have exciting things planned for 2017. We will continue to expand our security features including EMV chip cards, provide more enhancements to Mobile and Internet Banking and more educational opportunities for our members.

We believe in the partnership with our members and together we can help make a difference in all stages of life. As a cooperative, the more products and services our members use, the more value we can return every year. Our continued success in creating remarkable member experiences stems from our talented staff. They are the heart and soul of our organization.

On behalf of our Board of Directors, our Supervisory Committee, and the entire PremierOne Credit Union family, we thank you for your continued support and for choosing PremierOne as your Credit Union.

Seamus Moran
Board Chairman

Andrea Brewer
President/ CEO

CREDIT MANAGER REPORT

During 2016 our team funded more than \$85 million dollars in new loans. This is \$15 million more than we generated in 2015! We continued to help our members improve their financial situation by saving them money with lower loan rates and helping them with the purchase of larger items such as cars and homes. We ended 2016 with a total loan portfolio just over \$221 million which represents \$26 million in loan growth for the year! The largest growth was in the area of first mortgages, followed by direct auto loans and unsecured loans. At the end of 2016, our delinquency was 0.18%, which is slightly higher than the end of 2015 which was 0.10%. This percentage remains well below our peer group level and was fairly flat during 2016.

As we look forward in 2017, we will continue to find ways to meet the financial needs of our members. We continue to look for ways to make the loan process easier and more efficient for our members. We will also be researching new loan product offerings to meet the changing needs of our members.

Belinda Metzler
VP Lending

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is elected by the members to safeguard the assets and interests of the membership by ensuring all financial and operational activities are performed accurately and in compliance with state and federal regulations. The members of the Supervisory Committee, in carrying out their charge, and in keeping with their responsibilities, reviewed the Audit Reports from the accounting firm of Turner, Warren, Hwang & Conrad. Based on the audit results, the Committee is happy to report that adequate internal controls exist to protect member accounts. In addition, the financial statements accurately reflect the positive performance and condition of the Credit Union.

During 2016, the Supervisory Committee performed the following functions, as directed by its Charter:

1. **Provided for an independent outside audit**
2. **Reviewed new Credit Union Policies and Procedures**
3. **Reviewed Credit Union Corporate VISA statements**
4. **Ensured reporting and confirmed compliance with all applicable regulations, including those of the following:**
 - a. **Office of Foreign Assets Control**
 - b. **CA Department of Business Oversight**
 - c. **National Credit Union Administration**
 - d. **Bank Secrecy Act**
 - e. **Truth-in-Lending Act**
 - f. **Anti-Money Laundering Act**

The Supervisory Committee appreciates members' continued confidence in our oversight role. The support and cooperation of the Board of Directors, management, and employees have assisted us in the performance of our duties and is greatly appreciated.

Jay Castellano
Supervisory Committee Chairman

STATEMENT OF FINANCIAL CONDITION & INCOME*

ASSETS	2016	2015	% Change
Loans	221,618,679	195,515,423	13.4%
Allowance for loan losses	(1,011,468)	(1,835,192)	-44.9%
Cash	2,629,195	2,128,022	23.6%
Investments	154,934,572	154,630,595	0.2%
Fixed assets	12,171,636	12,123,099	0.4%
Other assets	5,717,410	5,195,707	10.0%
TOTAL ASSETS	396,060,024	367,757,654	7.7%
LIABILITIES, SHARES & EQUITY	2016	2015	% Change
Other liabilities	1,922,773	1,403,098	37.0%
Shares	356,750,616	330,640,802	7.9%
Net worth & reserves	37,386,635	35,713,754	4.7%
TOTAL LIABILITIES & EQUITY	396,060,024	367,757,654	7.7%
INCOME STATEMENT	2016	2015	% Change
Loan interest	8,981,138	7,898,012	13.7%
Investment interest	2,060,577	2,053,450	0.3%
TOTAL INTEREST INCOME	11,041,715	9,951,462	11.0%
Dividends	812,359	550,593	47.5%
Interest expense	1	7,969	-100.0%
TOTAL INTEREST EXPENSE	812,360	558,562	45.4%
Net interest income	10,229,355	9,392,900	8.9%
Provision for loan losses	(264,888)	(197,548)	34.1%
Fee income	2,856,144	2,623,348	8.9%
Compensation & benefits	5,862,565	5,341,083	9.8%
Office operations	2,736,213	2,464,005	11.0%
Marketing	246,804	220,712	11.8%
Professional services	1,217,221	1,196,890	1.7%
Loan service	911,284	923,525	-1.3%
NCUSIF assessment	-	-	0.0%
Other	127,913	154,966	-17.5%
TOTAL NON-INTEREST EXPENSE	11,102,000	10,301,181	7.8%
NET INCOME	2,248,387	1,912,615	17.6%

* As of 12/31/2016